



INDIANA DEPARTMENT OF TRANSPORTATION

Driving Indiana's Economic Growth

100 North Senate Avenue
Room IGC-N 642
Indianapolis, Indiana 46204-2216
Ph: (317) 232-5310 FAX: (317) 232-5349

Mitchell E. Daniels, Jr.,
Governor
Michael W. Reed, Commissioner

May 5, 2009

Re: Federal Match available for all Phases

In an effort to help cities, counties, and towns (collectively referred to as LPAs) develop their federally funded projects, the Indiana Department of Transportation (INDOT) is implementing a new policy with respect to Group III, Group IV, Local Bridge, and Local Transportation Enhancement projects selected on or after April 29, 2009. See INDOT's LPA website (http://www.in.gov/indot/div/projects/LPASection/pubs/LPA_Fed_Aid_Process.pdf) for a definition of Group III, Group, Local Bridge, and Local Transportation Enhancement programs.

LPAs may elect to be reimbursed for 80% of eligible project costs for all phases (preliminary engineering, right-of-way, and construction). When a project is selected, a maximum amount of federal funds is allocated to the project. The funds for all phases (preliminary engineering, right-of-way, and construction) count against this cap.

This change in policy does not apply to Group III, Group IV, and Local Bridge funded projects selected before April 29, 2009. LPAs will continue to fund the preliminary engineering and right-of-way phases with 100% local funds. After a construction contract is awarded for the project, the LPA can use 80% of its eligible cost for those activities (not to exceed 50% of the LPA's required match for construction and construction inspection) as federal "credits," provided the LPA has complied with all federal and state requirements regarding the selection of consultants and procurement of right-of-way.

This announcement is in no way related to the American Recovery and Reinvestment Act (ARRA) and does not affect those funds and procedures.

09036.doc